

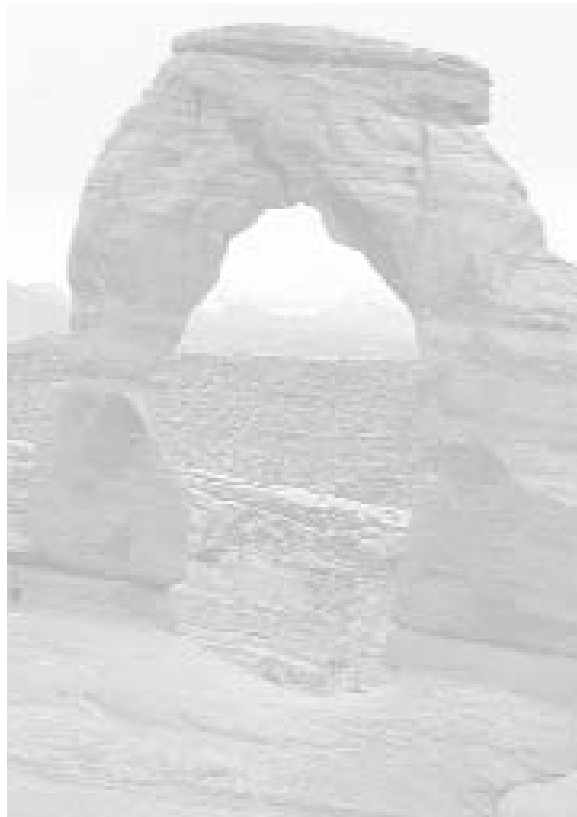
State of Utah

Budget Summary

The State's total recommended budget is \$10.7 billion. Although these recommendations deal with the total state budget, the primary focus is on the discretionary state funds, both General Fund and Education Fund, totaling \$5.7 billion. Federal funds, fees, licenses, and other revenue types account for the remaining \$5.0 billion.

- General Fund - primary funding source for most state government operations and includes all revenue not accounted for in other funds. Its major revenue sources are sales taxes; insurance premium taxes; and beer, cigarette, liquor, and severance taxes.
- Education Fund - restricted to the support of education. The major revenue sources are individual income and corporate franchise taxes. These funds include the Uniform School Fund.

Most states do not have a separate dedicated fund for major expenditures such as education. To compare to other states and show how the majority of Utah taxpayer money is spent, the General Fund and Education Fund are frequently combined in this document and are referred to as state funds.





GOVERNOR'S BUDGET OVERVIEW

Overview

Unprecedented increases in jobs, revenues, and population throughout 2006 call for unprecedented support of education, transportation, and enhancing the quality of life of all Utahns.

Governor Huntsman's focus on growing Utah's economy has produced such increases, including record revenue. The rate of growth in combined General Fund and Education Fund revenues was the highest in more than 25 years. Personal income growth rose well above the national average and unemployment fell to an all-time monthly low of 2.5 percent. This positions Utah to ensure success for future generations. With this great economy comes the ability to address pressing needs within the State.

The recommendations contained in this budget reflect a balanced approach by Governor Huntsman who continues his commitment to four key policy areas:

- Economic Revitalization
- Education
- Quality of Life
- Governance

Budget increases recommended for FY 2008, including FY 2007 supplemental funds, are found in the following sections: 1) Table 1 in summary form, 2) Tables 6 through 10 by department, and 3) the itemized tables in the department sections which include a listing of all detailed budget items.

Revenue Forecast

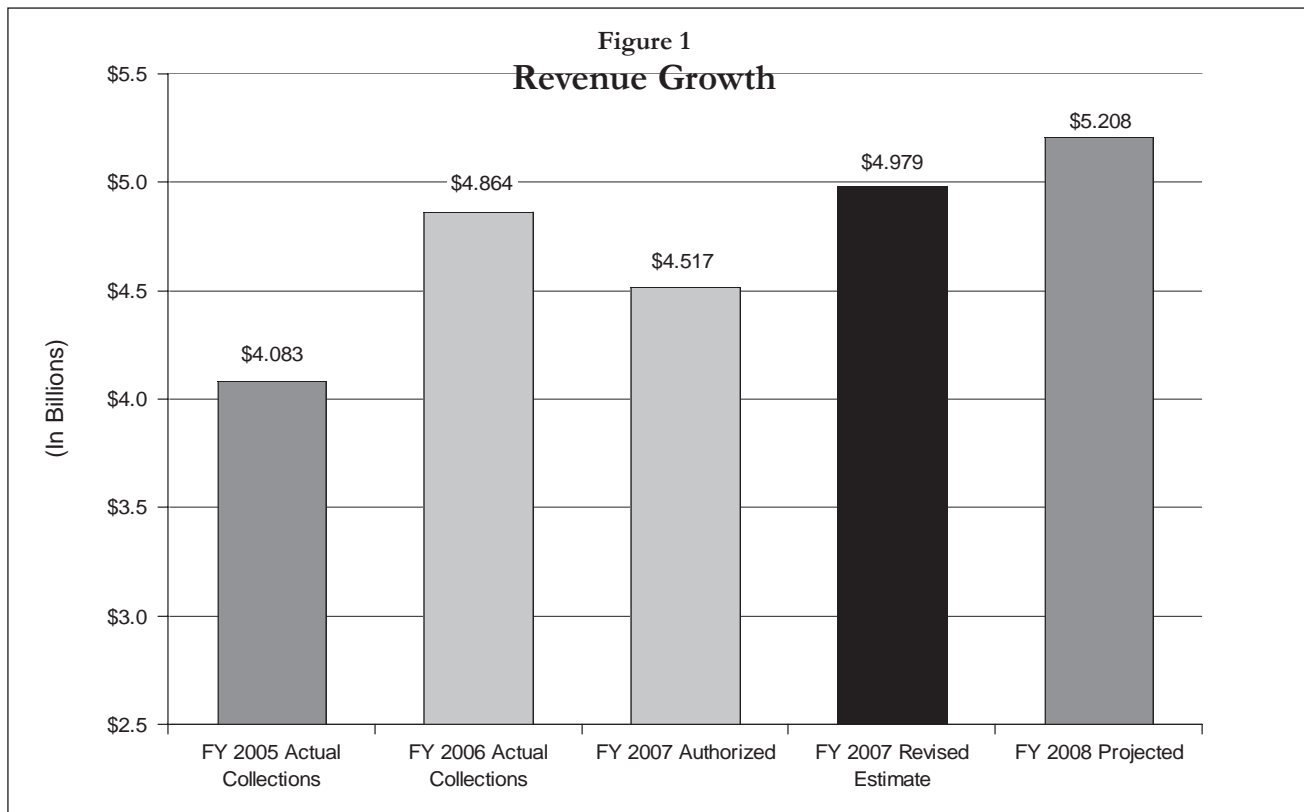
The Governor's Office of Planning and Budget (GOPB), the Utah Tax Commission, and the Office of the Legislative Fiscal Analyst (LFA) reached consensus on the revised revenue estimates used for FY 2007 and the new revenues for FY 2008 contained within the Governor's budget.

Revised revenue forecasts for the General Fund and Education Fund for FY 2007 are \$462.4 million more than authorized during the 2006 legislative session. Revenue estimates for the FY 2008 budget are \$690.9 million above the FY 2007 authorized amount. (See Figure 1 on page 2.)

Education and Economic Revitalization

Governor Huntsman is recommending unprecedented support of Utah's public and higher education programs with a \$4.6 billion budget, including \$453.5 million in new state money, focusing on meeting the needs of children, parents, schools, and teachers to ensure we are preparing the best workforce for Utah's future.

Utah's future depends on the quality of its education system, making it Governor Huntsman's number one budget priority for FY 2008. The growth in Utah's economy has highlighted the need for a well-trained workforce. This past year, almost 60,000 jobs were created in Utah. With Utah's extremely low unemployment rate, it is critical for the education sys-



tem, both public and higher education, to prepare a well-trained workforce to keep up with employment demand. As a result, a large investment in education is an integral part in Utah's future economic prosperity.

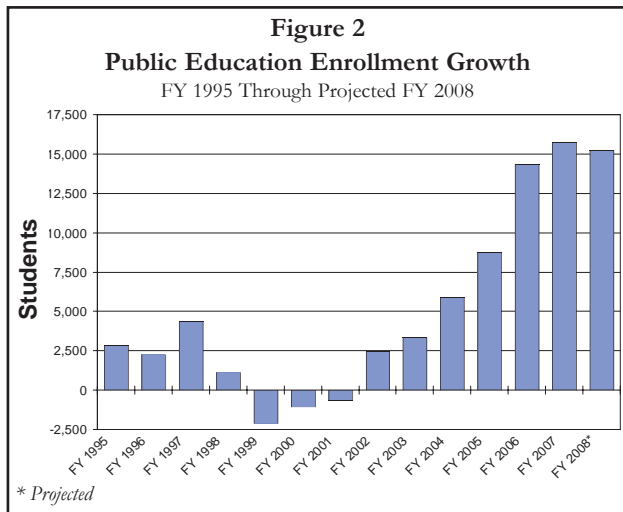
In order to encourage good teachers to stay in the classroom and to attract new teachers, Governor Huntsman is recommending the highest increase, 7 percent, in the weighted pupil unit (WPU), in the last 17 years. In addition to the WPU increase, the Governor is recommending \$21.9 million to reward teachers with differential pay for their professional excellence, as well as \$25 million in one-time bonus money for classroom teachers.

Utah expects 14,853 new students to enroll in the public school system in FY 2008. (See Figure 2 on page 3.) To accommodate these students, the Governor is recommending \$61.8 million to cover this enrollment growth. New technologies, online testing infrastructure, and teacher supplies and materials are recommended for replacement and purchase

with \$27.5 million one-time Education Fund. Along with increasing enrollment comes the need to offer not only an English language achievement program but also a world language and international education program. To this end, \$6.7 million in Education Fund is recommended.

Recognizing the critical need for early childhood education, Governor Huntsman is recommending \$28.7 million in Education Fund to implement STAR 20, a student-to-adult ratio of no more than 20 students per one adult in kindergarten through third grade classes. At the same time, research shows students who have attended all-day kindergarten benefit by being better prepared in reading and writing. Governor Huntsman recommends \$7.5 million in Education Fund for a voluntary all-day kindergarten pilot program in at-risk schools.

Governor Huntsman is recommending \$10 million for a 21st Century Teaching and Learning program. He is also recommending \$3 million for Reading Readiness programs.



Improving integration between K-12 and college is critical to better prepare tomorrow's workforce for Utah's employment demands. With a focus on math, science, technology, and engineering, the Governor is recommending \$2.5 million in Education Fund to create Utah Science Technology and Research (USTAR) high schools. These schools will prepare students to enter into four-year programs at colleges or universities or to finish high school with an associate degree in math, science, technology, or engineering. The Governor also recommends \$5 million for the Engineering and Computer Science Initiative already in place at institutions of higher education.

With \$5 million, the Governor is encouraging partnerships among institutions of higher education for students throughout the State to have more opportunities to stay in their home-town communities while earning a four-year degree. Additionally, by including \$11.6 million to pay for fuel and power bills, Governor Huntsman is moderating tuition increases and making it easier for students to pay for and stay in school.

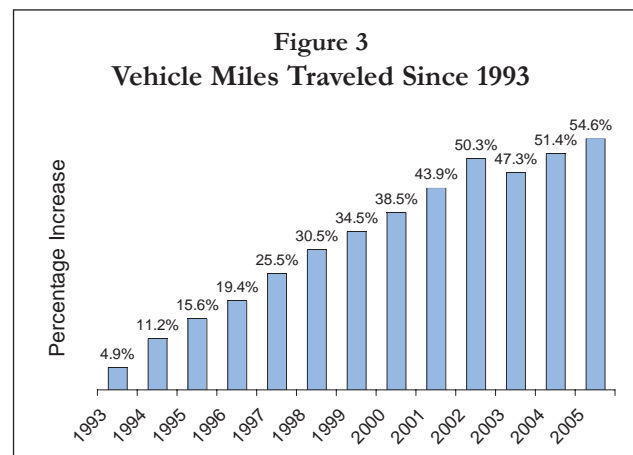
While undoubtedly, the focus on education is by extension a focus on economic development, Governor Huntsman continues his economic revitalization efforts in the way of tax reform. This past September, a monumental first step was taken to begin the process. The Legislature passed, and the Governor signed into law, Senate Bill 4001, *Income Tax Amendments* (Bramble), in the 2006 4th Special

Session which created a dual tax system. This system allows taxpayers to remain in the current system with all of the current deductions, or to move to a true flat tax system at a rate of 5.35 percent. Governor Huntsman understands the importance of having a tax system that is competitive with Utah's surrounding states in order to attract and stimulate economic growth. As a result, he recommends an additional \$100 million to be invested as a second step in making Utah more competitive. This investment would take the flat rate down to 5 percent and would include a taxpayer tax credit for low-income individuals.

Quality of Life

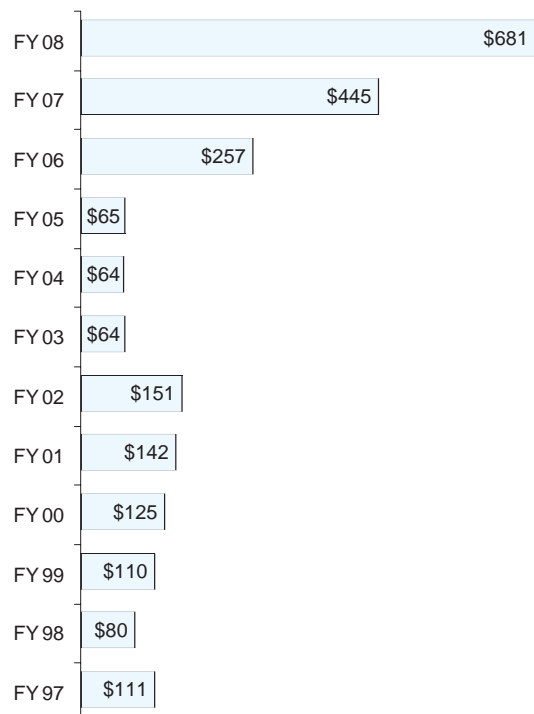
Transportation

Governor Huntsman is making a true commitment to Utah's successful transportation future with a total \$1.3 billion budget, including \$449.7 million in new money. Preventing gridlock now and improving our roads is critical for a higher quality of life. Governor Huntsman recommends \$100 million to relieve congestion on Utah roads. In addition, another \$250 million has been allocated to the Centennial Highway Fund in lieu of bonding for current projects. He also recommends \$40 million for corridor preservation acquisitions to meet the demands of Utah's rapidly growing population. With the escalating prices of real estate in Utah, this investment will ultimately save the State millions of dollars.



Repairing and replacing bridges before major problems occur is another important focus for Governor Huntsman. He recommends \$40 million to reinforce bridges in need of repair.

Figure 4
General Fund and Dedicated Sales Tax
for State Highway Projects
(in Millions)



Includes appropriations or transfers to the Centennial Highway Restricted Account, the Transportation Investment Fund of 2005, and the Corridor Preservation Fund.

Land Use and Open Space

As part of his quality of life focus the Governor recommends \$2 million each for three initiatives: grazing improvement, water shed rehabilitation, and the LeRay McAllister open space fund. The Governor also recommends \$2 million to invest in a renewable energy fund. He has also set aside \$12.6 million to create a fund to mitigate the extraction impacts of our nonrenewable resources. He understands the State must invest in Utah's lands and resources to preserve them for future generations.

Health Care

In this budget, Governor Huntsman is recommending funding to improve access to health care for all uninsured children in a phased approach. As part of the initial phase, the Governor is recommending \$4.2 million in General Fund for the Children's Health Insurance Program (CHIP) in order to reopen the program so Utah's children can access the health care they desperately need.

The Governor also recommends the creation of an Insurance Connector to allow individuals without insurance to more readily obtain it at a reasonable price. The Connector will also assist small businesses to offer insurance to their employees. In order to design and prepare this program, the Governor is recommending an appropriation of \$350,000 in General Fund.

Buildings

With strong revenues, the State is in a position to catch up on investment in capital and infrastructure. The Governor recommends supplemental funding of \$73.1 million in FY 2007 and \$127.5 million one-time funds in FY 2008 to pay for the following buildings:

Governor Huntsman's Recommendations for Large Capital Projects

State Capitol restoration	\$51,000,000
Health laboratory	30,852,000
St. George Courthouse	29,000,000
Weber State University	22,950,000
Snow College library	17,651,000
Schools for the Deaf/Blind	15,828,000
Davis Applied Tech. College	14,238,000
UofU College of Nursing admin.	13,775,000
Driver License and DMV bldg.	5,342,000
Total	\$200,636,000

Methamphetamine Campaign

The tragic effects of a methamphetamine addiction can be seen throughout the State socially, economically, publicly, and in the private sector. There are few state agencies unaffected by the pervasive effects of drug use in Utah's population. Governor Huntsman recommends \$5.1 million to prevent drug use and to help people become productive, drug free citizens. This new program will combine marketing efforts to prevent drug usage and help addicts recover from addiction through effective treatment and social programs.

Governance

Balanced Scorecard

This fall, Governor Huntsman announced a strategic public-private partnership between GOPB and Utah Policy Partnership to improve efficiency in government. He requested that agencies assemble teams to implement the Balanced Scorecard, a management tool which uses specific metrics to measure

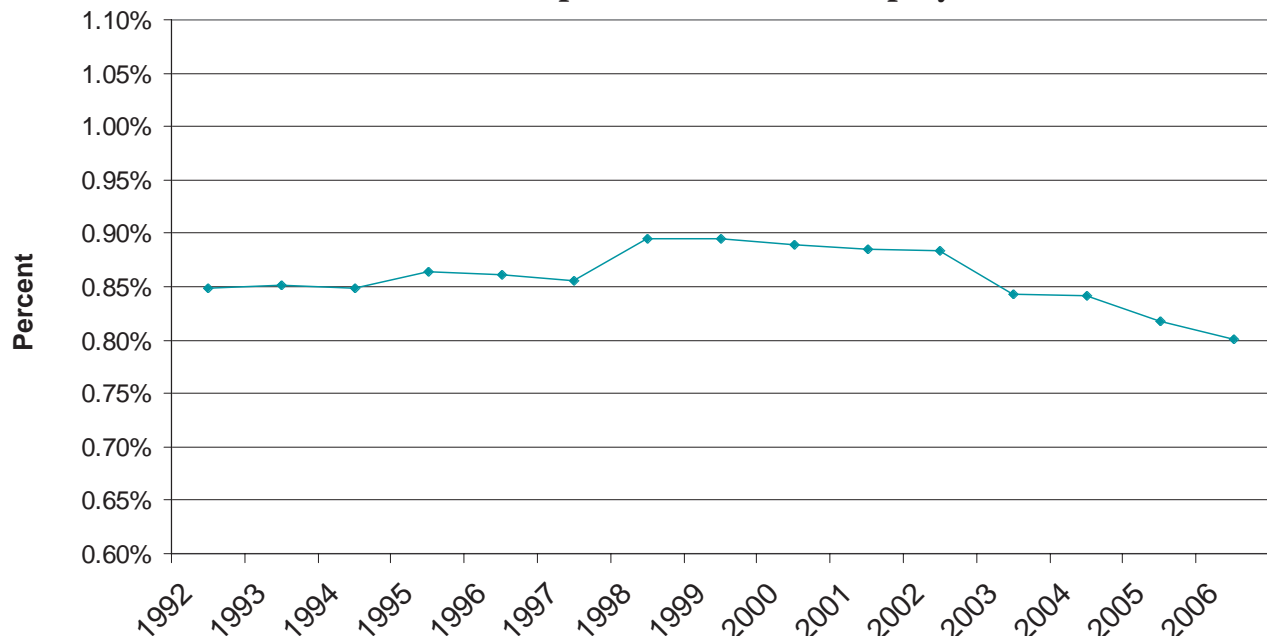
performance. The goal is to have the scorecard implemented into every state agency by the end of the current fiscal year.

In addition, he organized communities of interest and challenged agencies to look across these communities to find efficiencies and opportunities for enterprise planning.

Compensation

Governor Huntsman recognizes the invaluable role of public servants, and as such, recommends \$20 million for a 3.5 percent cost-of-living increase in state employee compensation. Another \$14.3 million has been set aside for discretionary salary increases for state agencies in order for executive directors to address compression hot spots and reward excelling employees. Governor Huntsman also wants to address the rising cost of benefits for state employees with a \$10.7 million benefit package. Compensation increases for Higher Education are comparable to that of state employees. In addition, he recommends holding the growth in government, as measured by additional full-time employees, to no more than a 1.4 percent increase.

Figure 5
Ratio of State Population to State Employees



Investing in Utah

This has been a banner year for so many of the State's core needs: education, transportation, and social services just to name a few. However, Governor Huntsman has always supported the need for fiscal responsibility to the taxpayer, advocating for tax reform and elimination of an invasive sales tax on food. This year, in a time of great fortune, the Governor continues to advocate such prudence in recommending \$100 million for continued tax reform and investment of \$20 million into the State's Budget Reserve Fund in order to prepare for times when the economy is not as robust as it is now. Even with these cash-saving measures, Governor Huntsman has left \$27.8 million unallocated, leaving it to be returned to taxpayers or used in other measures.

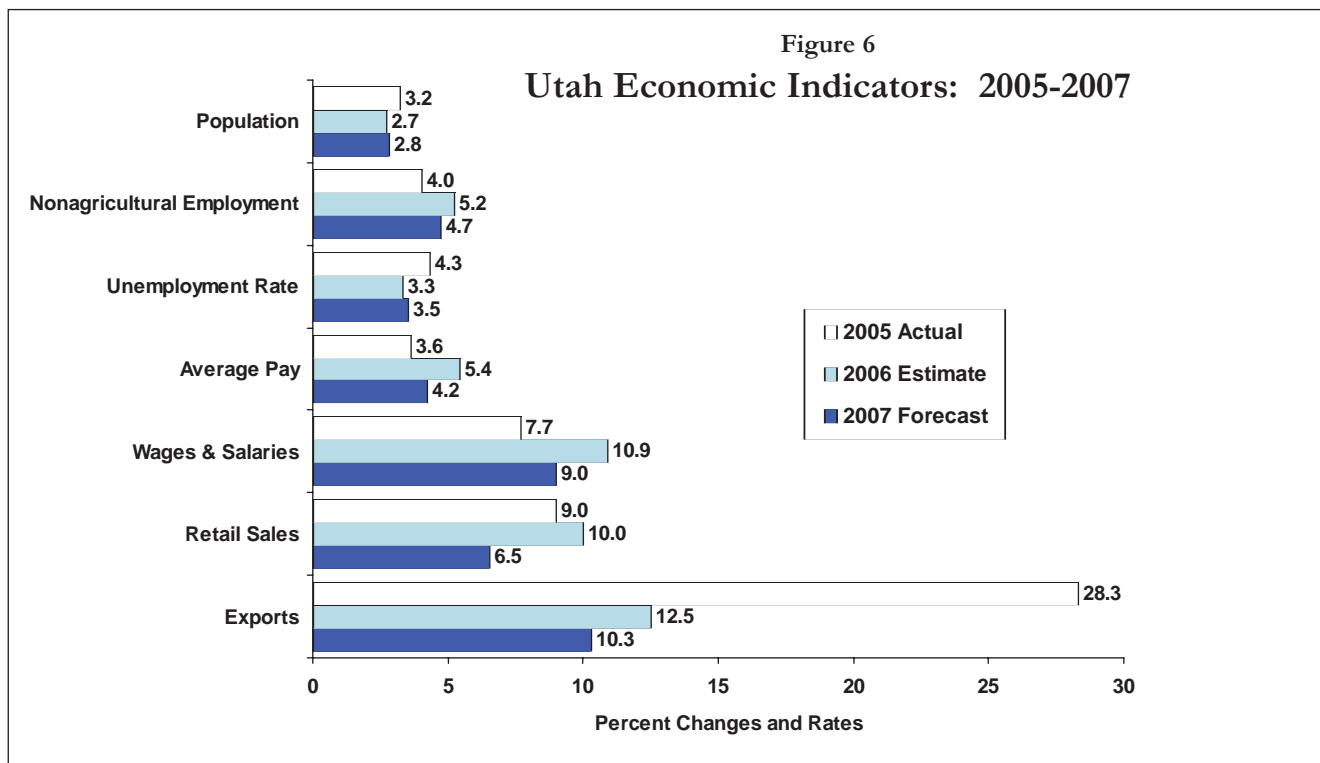
Economic Forecasts

The Revenue Assumptions Committee determines the basic assumptions that lead to the

Governor's revenue forecasts. Members of the council represent GOPB, LFA, the Tax Commission, the University of Utah, UTA, Salt Lake City, private consultants, and various state agencies. Detailed information concerning Utah's economy and its outlook may be found in the *2007 Economic Report to the Governor* (available January 2007).

Utah's economic growth remained strong in 2006 and this trend is expected to continue throughout 2007. The State's 5.2 percent annual increase in employment, from 2005 to 2006, outperformed national employment growth of 1.4 percent for this same period. The Utah economy will continue to progress throughout 2007 with forecasted employment growth of 4.7 percent.

Figure 6 shows projected growth in economic indicators for Utah. The figure also shows estimated unemployment rates. The following data are for the calendar years indicated:



Population. According to the Utah Population Estimates Committee, Utah's population reached 2.6 million in 2006 and is forecasted to increase by 2.8 percent in 2007. Comparatively, the national population will grow at a rate of 0.9 percent in 2007. Utah experienced net in-migration of approximately 28,700 people in 2006 and demographers project net in-migration of 33,000 individuals in 2007.

Employment. Utah nonagricultural employment is projected to increase 4.7 percent in 2007, continuing with a 3.7 percent employment increase in 2008. Concurrently, national employment is estimated to grow by 1.1 and 1.3 percentage points in 2007 and 2008, respectively. Economists forecast Utah's 2007 unemployment rate to hover around 3.5 percent, up from 3.3 percent in 2006, while the national 2007 unemployment rate is projected to be 4.8 percent. The State's unemployment rate for 2008 is forecasted to increase by 0.4 percentage points.

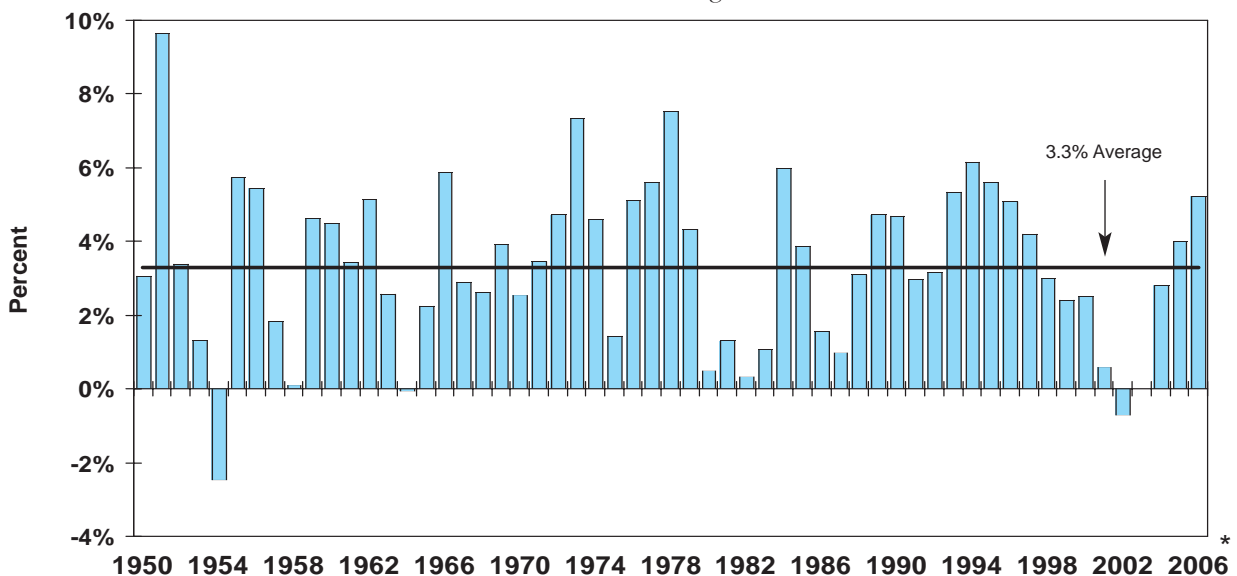
Personal Income. The annual personal income of Utah residents is forecasted to grow by 8.2 percent in

2007. By comparison, national annual personal income will increase approximately 5.4 percent in 2007. Utah's estimated aggregate annual personal income for 2006 was \$74.4 billion, up from \$67.9 billion in 2005.

Showing signs of improvement, the average annual pay in Utah was \$34,600 in 2006 with 2007 projections at \$36,038, a 5.4 and 4.2 percent increase in average annual pay, respectively. Utah citizen's average annual salaries were lower than the national average of \$43,263 in 2006. The gap between Utah and national average annual pay is projected to improve in 2007.

Retail Sales. Utah's aggregate retail sales were \$24.4 billion in 2006, up by approximately \$2.2 billion from 2005 actual expenditures. Economists project a 6.5 percent increase in retail sales in 2007 and a 6.1 percent increase in 2008. National retail sales, by contrast, are estimated to increase by 4.2 percent in 2007 and 4.0 percent in 2008.

Figure 7
Utah Nonagricultural Employment
Annual Percent Change



* Forecast

Source: Utah Department of Workforce Services

Appropriations Limit

Sections 63-38c-201 through 205, UCA, limit how much the State can spend from unrestricted General Fund sources and from non-Uniform School Fund income tax revenues. The limit allows state spending to increase relative to population and inflation increases. As interpreted by GOPB, the budget recommendations for both FY 2007 and FY 2008 are within the limit.

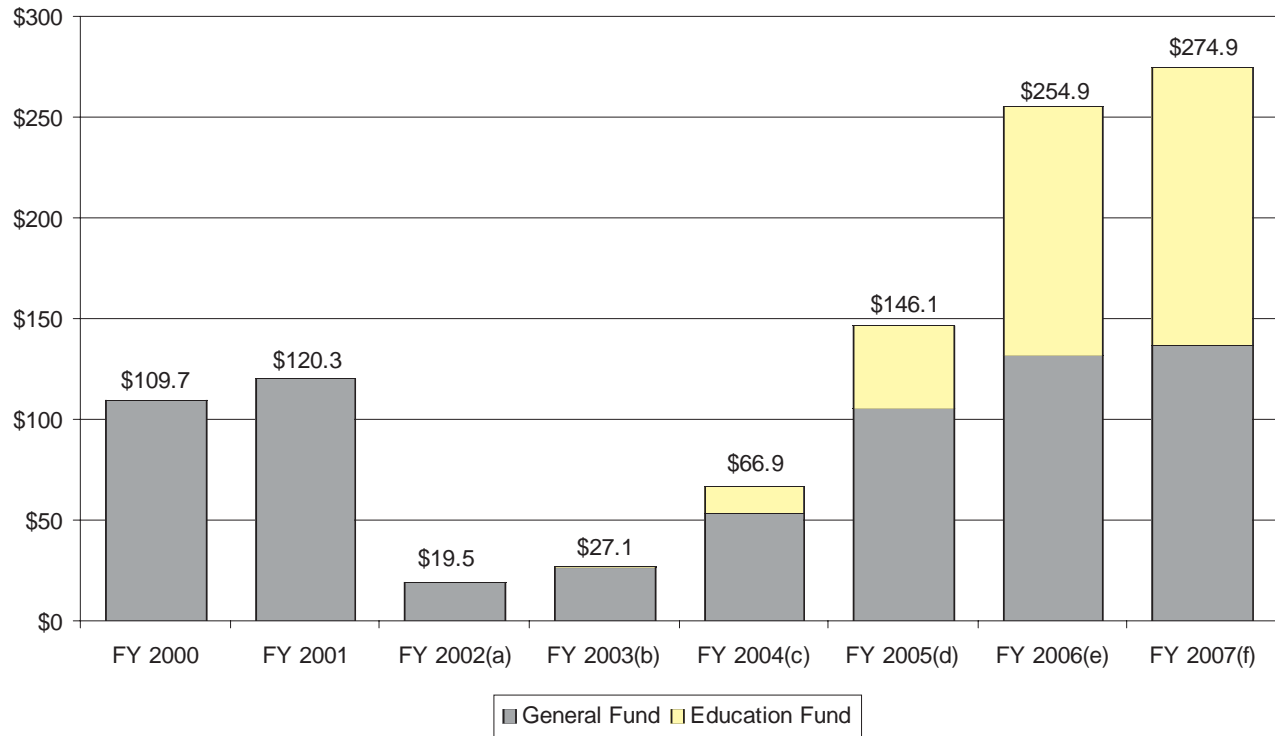
Budget Reserve Fund and Education Budget Reserve Fund

For additional budget stabilization, the State maintains the Budget Reserve Fund (Rainy Day Fund). The Budget Reserve Fund was created within the General Fund by the 1986 Legislature, pursuant

to House Bill 13, *Surplus Revenue Trust Fund* (Walker, O.). The 2003 Legislature, pursuant to House Bill 27, *Budget Reserve Account Amendments* (Buttars, C.), created the Education Budget Reserve Fund. Money from these funds can only be used to cover operating deficits, retroactive tax funds, and settlement agreements approved by the Legislature.

Governor Huntsman recommends a total of \$20 million of one-time General Fund/Education Fund FY 2007 revenue be deposited into the Budget Reserve Fund and the Education Budget Reserve Fund. The combined balance of the Budget Reserve Fund and the Education Budget Reserve Fund after Governor Huntsman's proposed transfer would be \$274.9 million. (See Figure 8 on page 9.)

Figure 8
State of Utah Reserve Funds - Historic Balances
 General Fund and Education Fund
 (In Millions)



(a) \$105.3 million was transferred to the General Fund to help balance the FY 2002 budget. The ending balance is offset by \$3.4 million from interest earnings and \$1.0 million transferred from the FY 2001 surplus.

(b) House Bill 27, Budget Reserve Account Amendments (Buttars, C.), 2003 General Session, created a new Education Budget Reserve Account.

(c) Includes \$4.3 million transfer from the General Fund per House Bill 3, Supplemental Appropriations Act II, Item 83 (Bigelow), 2004 General Session.

(d) Includes \$8.5 million transfer from the Permanent Tobacco Trust Fund per House Bill 330, Allocation of Tobacco Fund Amendments (Peterson), 2004 General Session and \$10.4 million transferred during the 2005 General Session.

(e) Includes a \$24 million transfer from the Uniform School Fund during the 2005 General Session.

(f) Includes a \$30 million transfer from the Education Fund recommended by Governor Huntsman.

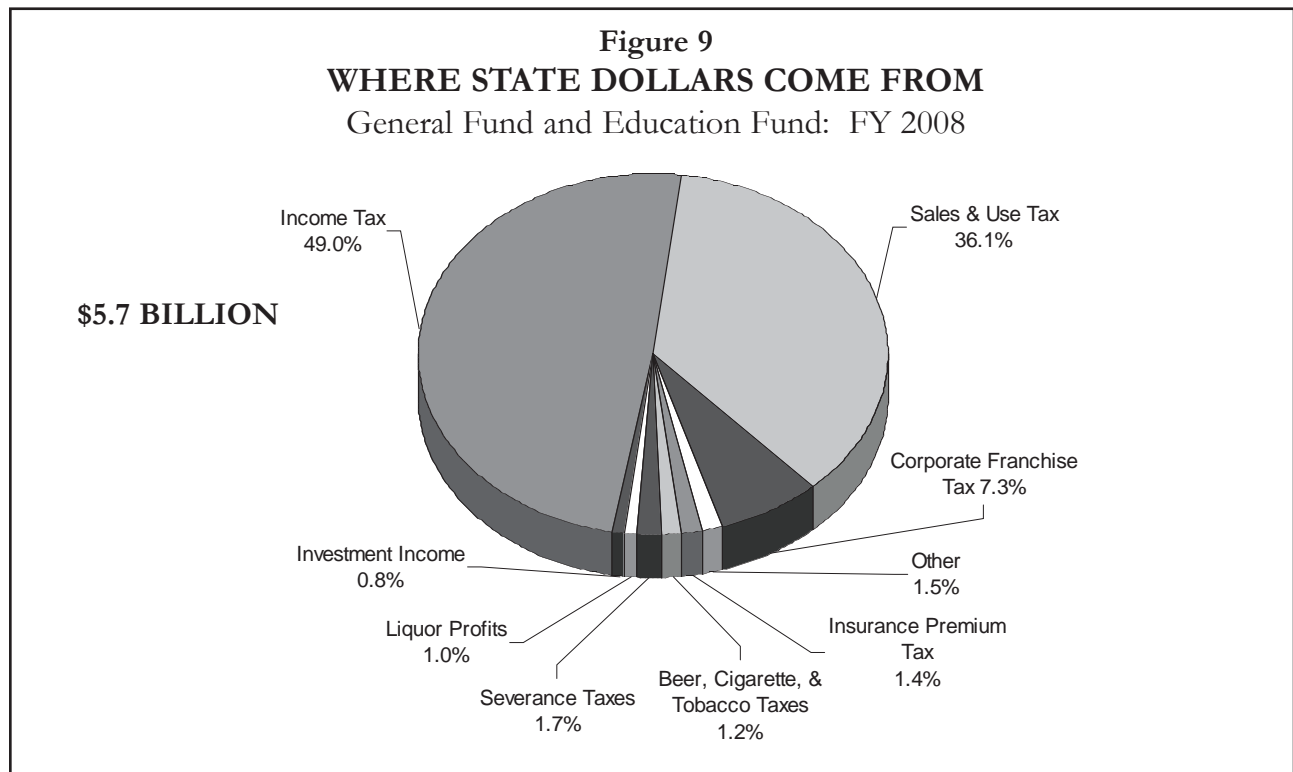


Figure 9 shows the estimated sources of state revenue (General Fund and Education Fund) for FY 2008.

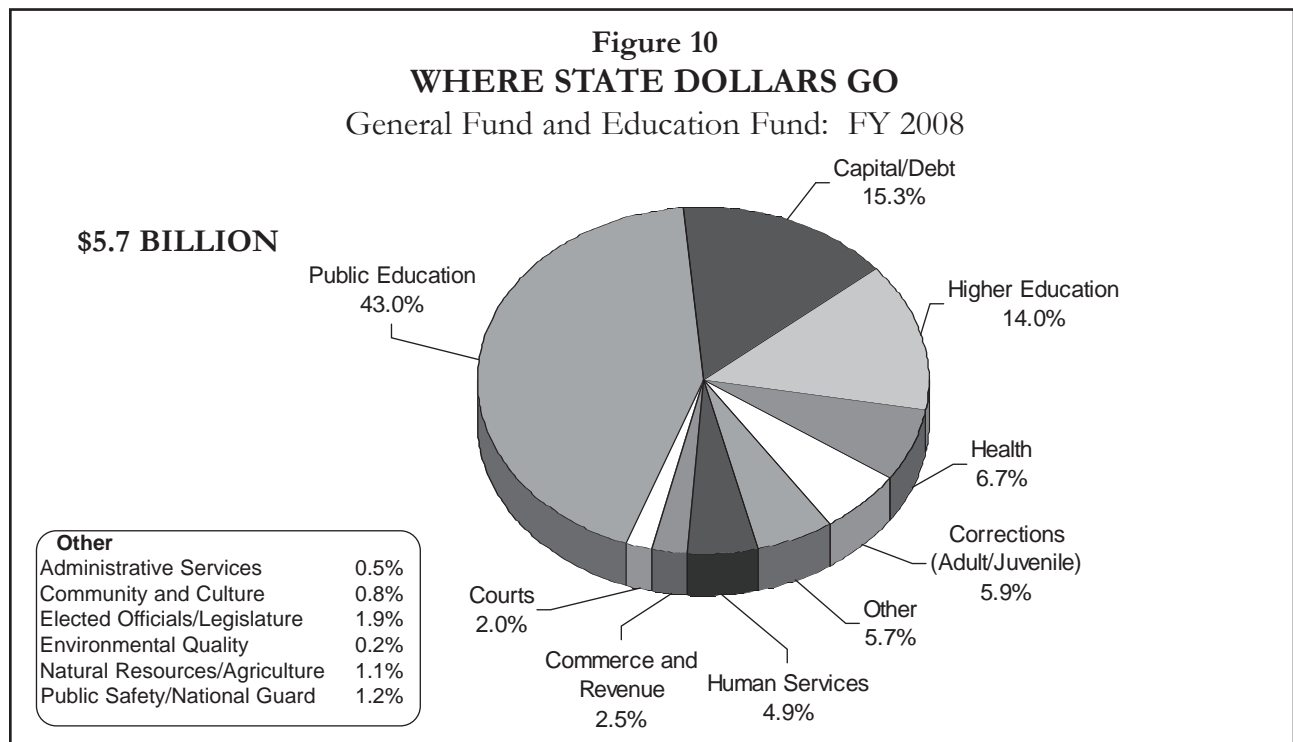


Figure 10 shows how state funds (General Fund and Education Fund) will be expended in FY 2008. The largest portion, amounting to 57.0 percent, goes to Public and Higher Education.

Figure 11
WHERE ALL FUNDS COME FROM
 All Sources of Funding: FY 2008

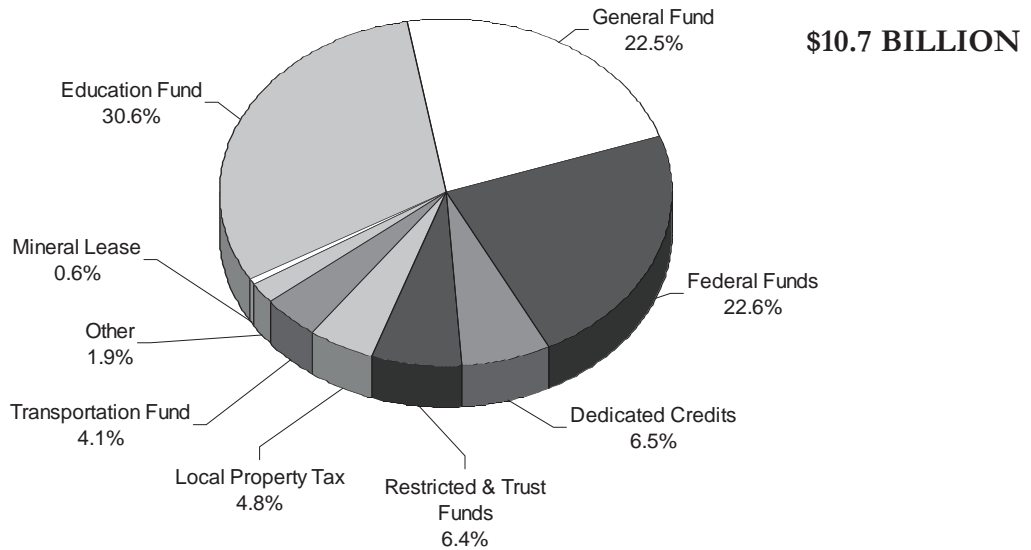


Figure 11 shows the total estimated sources of revenue for the FY 2008 budget. The General Fund and Education Fund, consisting primarily of sales and income taxes respectively, generate just over one-half (53.1 percent) of the total state budget.

Figure 12
WHERE ALL FUNDS GO
 All Sources of Funding: FY 2008

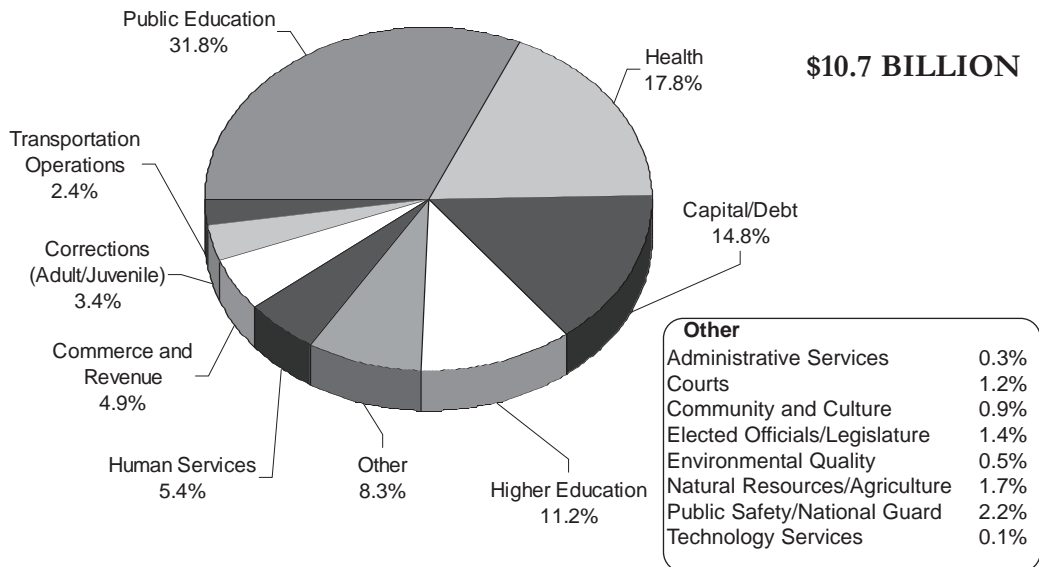


Figure 12 shows total budget expenditures for FY 2008 from all sources of funding.

Table 1

STATE FISCAL PLAN
General Fund and Education Fund
(In Thousands of Dollars)

	Actual FY 2006	Authorized FY 2007	Governor Huntsman's Recommendations				
			Supple- mentals (a)	Recom- mended FY 2007 (b)	Base FY 2008 (c)	Ongoing and One-time (d)	Recom- mended FY 2008 (e)
Sources of Funding							
Beginning Balance	\$105,673	\$0	\$308,428	\$308,428	\$0	\$0	\$0
(f) General Fund Estimates	2,187,465	1,992,628	197,963	2,190,591	1,992,628	265,992	2,258,620
(f) Education Fund Estimates	2,676,766	2,524,000	264,400	2,788,400	2,524,000	424,900	2,948,900
Subtotal GF/EF Estimates	4,864,231	4,516,628	462,363	4,978,991	4,516,628	690,892	5,207,520
Transfers - Other	(900)	82	0	82	0	0	0
Transfer - Mineral Lease	1,300	0	0	0	0	0	0
Mineral Extraction Mitigation Fund	0	0	0	0	0	(12,600)	(12,600)
Criminal Fine Surcharge to Restricted Fund	0	0	0	0	0	(2,100)	(2,100)
Liquor Control Fund for Buildings	0	0	0	0	0	(4,000)	(4,000)
Concealed Firearm Permits	0	0	0	0	0	(600)	(600)
Lapsing Balances	3,573	0	0	0	0	0	0
Other	792	3,632	(3,549)	83	0	0	0
Income Tax Reform	0	0	(50,000)	(50,000)	0	(100,000)	(100,000)
Sales Tax Reform	0	35,000	(35,000)	0	0	0	0
Transfer surplus to Rainy Day Fund	(102,485)	0	(20,000)	(20,000)	0	0	0
IAF Reserve from Prior Fiscal Year	3,479	0	1,409	1,409	0	0	0
IAF Reserve for Following Fiscal Year	(1,409)	0	0	0	0	0	0
Reserve from Prior Fiscal Year	117,653	460,071	0	460,071	433,328	188,832	622,160
Reserve for Following Fiscal Year	(460,071)	0	(622,160)	(622,160)	0	0	0
Total Sources of Funding	\$4,531,836	\$5,015,413	\$41,491	\$5,056,904	\$4,949,956	\$760,424	\$5,710,380
Appropriations							
Operations Budget	\$3,886,303	\$4,279,820	\$41,346	\$4,321,166	\$4,164,085	\$650,393	\$4,814,478
Capital Budget	260,061	593,774	73,120	666,894	212,686	586,530	799,217
Debt Service	77,044	68,844	0	68,844	68,844	0	68,844
Total Appropriations	\$4,223,408	\$4,942,438	\$114,466	\$5,056,904	\$4,445,616	\$1,236,923	\$5,682,539
Ending Balance	\$308,428	\$72,975	(\$72,975)	\$0	\$504,340	(\$476,499)	\$27,841
% Change from Authorized FY 2007				2.3%			15.0%

(a) The Supplementals column represents recommended changes to Authorized FY 2007.

(b) The Recommended FY 2007 column is based upon updated revenue projections and includes recommended supplemental appropriations.

(c) The Base FY 2008 column represents FY 2007 appropriations adjusted for one-time items and other base changes.

(d) The Ongoing and One-time column represents recommended changes to the FY 2008 base budget.

(e) The Recommended FY 2008 column is based upon updated revenue projections and includes recommended ongoing and one-time increases and adjustments.

(f) See Table 4, Revenue Collections and Estimates.

NOTE: Minor differences on summary tables are due to rounding numbers to the nearest thousand.

Table 1 shows all the sources of funding used to balance the General Fund (Table 2) and Education Fund (Table 3) portions of the budget.

Table 2

STATE FISCAL PLAN
General Fund
(In Thousands of Dollars)

	Actual FY 2006	Authorized FY 2007	Supple- mentals (a)	Recom- mended FY 2007 (b)	Governor Huntsman's Recommendations		
					Base FY 2008 (c)	Ongoing and One-time (d)	Recom- mended FY 2008 (e)
Sources of Funding							
Beginning Balance	\$24,627	\$0	\$85,126	\$85,126	\$0	\$0	\$0
(f) General Fund Estimates	2,187,465	1,992,628	197,963	2,190,591	1,992,628	265,992	2,258,620
Transfers - Other	(900)	82	0	82	0	0	0
Transfer - Mineral Lease	1,300	0	0	0	0	0	0
Mineral Extraction Mitigation Fund	0	0	0	0	0	(12,600)	(12,600)
Criminal Fine Surcharge to Restricted Fund	0	0	0	0	0	(2,100)	(2,100)
Liquor Control Fund for Building	0	0	0	0	0	(4,000)	(4,000)
Concealed Firearm Permits	0	0	0	0	0	(600)	(600)
Lapsing Balances	3,573	0	0	0	0	0	0
Other	792	732	(649)	83	0	0	0
Sales Tax Reform	0	35,000	(35,000)	0	0	0	0
Transfer surplus to Rainy Day Fund	(21,920)	0	(5,000)	(5,000)	0	0	0
IAF Reserve from Prior Fiscal Year	3,479	0	1,409	1,409	0	0	0
IAF Reserve for Following Fiscal Year	(1,409)	0	0	0	0	0	0
Reserve from Prior Fiscal Year	74,599	155,489	0	155,489	0	188,832	188,832
Reserve for Following Fiscal Year	(155,489)	0	(188,832)	(188,832)	0	0	0
Total Sources of Funding	\$2,116,117	\$2,183,931	\$55,017	\$2,238,948	\$1,992,628	\$435,524	\$2,428,152
Appropriations							
Operations Budget	\$1,795,132	\$1,667,952	\$24,341	\$1,692,293	\$1,591,634	\$86,116	\$1,677,750
Capital Budget	175,979	460,633	34,342	494,975	138,379	538,075	676,454
Debt Service	59,880	51,680	0	51,680	51,680	0	51,680
Total Appropriations	\$2,030,991	\$2,180,265	\$58,683	\$2,238,948	\$1,781,693	\$624,191	\$2,405,884
Ending Balance	\$85,126	\$3,666	(\$3,666)	\$0	\$210,935	(\$188,667)	\$22,268
% Change from Authorized FY 2007				2.7%			10.3%

(a) The Supplementals column represents recommended changes to Authorized FY 2007.

(b) The Recommended FY 2007 column is based upon updated revenue projections and includes recommended supplemental appropriations.

(c) The Base FY 2008 column represents FY 2007 appropriations adjusted for one-time items and other base changes.

(d) The Ongoing and One-time column represents recommended changes to the FY 2008 base budget.

(e) The Recommended FY 2008 column is based upon updated revenue projections and includes recommended ongoing and one-time increases and adjustments.

(f) See Table 4, Revenue Collections and Estimates.

Table 2 shows all the sources of funding used to balance the General Fund portion of the budget.

Table 3

STATE FISCAL PLAN
Education Fund
(In Thousands of Dollars)

	Actual FY 2006	Authorized FY 2007	Governor Huntsman's Recommendations				
			Supple- mentals (a)	Recom- mended FY 2007 (b)	Base FY 2008 (c)	Ongoing and One-time (d)	Recom- mended FY 2008 (e)
Sources of Funding							
Beginning Balance	\$81,046	\$0	\$223,302	\$223,302	\$0	\$0	\$0
(f) Education Fund Estimates	2,676,766	2,524,000	264,400	2,788,400	2,524,000	424,900	2,948,900
Other	0	2,900	(2,900)	0	0	0	0
Income Tax Reform	0	0	(50,000)	(50,000)	0	(100,000)	(100,000)
Transfer surplus to Rainy Day Fund	(80,565)	0	(15,000)	(15,000)	0	0	0
Reserve from Prior Fiscal Year	43,054	304,582	0	304,582	433,328	0	433,328
Reserve for Following Fiscal Year	(304,582)	0	(433,328)	(433,328)	0	0	0
Total Sources of Funding	\$2,415,719	\$2,831,482	(\$13,526)	\$2,817,956	\$2,957,328	\$324,900	\$3,282,228
Appropriations							
Operations Budget	\$2,091,171	\$2,611,868	\$17,005	\$2,628,873	\$2,572,450	\$564,278	\$3,136,728
Capital Budget	84,082	133,141	38,778	171,919	74,307	48,455	122,763
Debt Service	17,164	17,164	0	17,164	17,164	0	17,164
Total Appropriations	\$2,192,417	\$2,762,173	\$55,783	\$2,817,956	\$2,663,922	\$612,733	\$3,276,655
Ending Balance	\$223,302	\$69,309	(\$69,309)	\$0	\$293,406	(\$287,833)	\$5,573
% Change from Authorized FY 2007				2.0%			18.6%

(a) The Supplementals column represents recommended changes to Authorized FY 2007.

(b) The Recommended FY 2007 column is based upon updated revenue projections and includes recommended supplemental appropriations.

(c) The Base FY 2008 column represents FY 2007 appropriations adjusted for one-time items and other base changes.

(d) The Ongoing and One-time column represents recommended changes to the FY 2008 base budget.

(e) The Recommended FY 2008 column is based upon updated revenue projections and includes recommended ongoing and one-time increases and adjustments.

(f) See Table 4, Revenue Collections and Estimates.

Table 3 shows all the sources of funding used to balance the Education Fund portion of the budget.

Table 4

REVENUE COLLECTIONS AND ESTIMATES
Three Year Comparison
(In Thousands of Dollars)

	Governor Huntsman's Recommendations ^(a)							
	Actual FY 2006	Authorized FY 2007	Dollar Change A07-R07	Recom- mended FY 2007	Dollar Change A07-R08	Recom- mended FY 2008	Percent Change A07-R07	Percent Change A07-R08
			(b)	(c)	(d)	(e)	(f)	(g)
General Fund (GF)								
Sales and Use Tax	\$1,806,264	\$1,652,908	\$153,533	\$1,806,441	\$227,512	\$1,880,420	9.3%	13.8%
Cable/Satellite Excise Tax	20,479	19,300	(800)	18,500	(250)	19,050	(4.1)	(1.3)
Liquor Profits	47,291	40,500	7,850	48,350	9,100	49,600	19.4	22.5
Insurance Premiums	71,418	78,000	(8,650)	69,350	(6,800)	71,200	(11.1)	(8.7)
Beer, Cigarette, and Tobacco	60,832	55,000	5,650	60,650	6,200	61,200	10.3	11.3
Oil and Gas Severance Tax	71,514	65,000	10,800	75,800	7,550	72,550	16.6	11.6
Metal Severance Tax	17,043	14,000	6,500	20,500	3,050	17,050	46.4	21.8
Inheritance Tax	7,448	0	550	550	300	300	--	-- (h)
Investment Income	40,006	25,000	19,900	44,900	16,000	41,000	79.6	64.0
Other	50,781	49,500	1,650	51,150	2,950	52,450	3.3	6.0
Property and Energy Credit	(5,611)	(6,580)	980	(5,600)	380	(6,200)	(14.9)	(5.8)
<i>Subtotal General Fund</i>	<i>2,187,465</i>	<i>1,992,628</i>	<i>197,963</i>	<i>2,190,591</i>	<i>265,992</i>	<i>2,258,620</i>	<i>9.9</i>	<i>13.3</i>
Education Fund (EF)								
Individual Income Tax	2,288,484	2,270,000	145,000	2,415,000	285,000	2,555,000	6.4	12.6
Corporate Franchise Tax	368,869	243,500	116,500	360,000	136,500	380,000	47.8	56.1
Other	19,414	10,500	2,900	13,400	3,400	13,900	27.6	32.4
<i>Subtotal Education Fund</i>	<i>2,676,766</i>	<i>2,524,000</i>	<i>264,400</i>	<i>2,788,400</i>	<i>424,900</i>	<i>2,948,900</i>	<i>10.5</i>	<i>16.8</i>
Total GF/EF	\$4,864,231	\$4,516,628	\$462,363	\$4,978,991	\$690,892	\$5,207,520	10.2%	15.3%
Transportation Fund								
Motor Fuel Tax	\$240,432	\$248,000	(\$6,200)	\$241,800	(\$4,600)	\$243,400	(2.5%)	(1.9%)
Special Fuel Tax	101,098	101,500	5,600	107,100	9,150	110,650	5.5	9.0
Other	76,615	75,000	3,450	78,450	5,300	80,300	4.6	7.1
Total Transportation Fund	\$418,144	\$424,500	\$2,850	\$427,350	\$9,850	\$434,350	0.7%	2.3%
Mineral Lease								
Royalties	\$129,350	\$98,000	\$26,750	\$124,750	\$31,250	\$129,250	27.3%	31.9%
Bonus	40,761	8,000	9,700	17,700	2,100	10,100	121.3	26.3
Total Mineral Lease	\$170,111	\$106,000	\$36,450	\$142,450	\$33,350	\$139,350	34.4%	31.5%

Continued on next page

*Table 4 Continued***REVENUE COLLECTIONS AND ESTIMATES****Three Year Comparison****(In Thousands of Dollars)**

Continued from previous page

- (a) *For other revenue and tax issues, see tables 1-3, State Fiscal Plan.*
- (b) *The change is from the Authorized FY 2007 column to the Recommended FY 2007 column.*
- (c) *The Recommended FY 2007 column is based upon updated economic projections from the Council of Economic Advisors' Revenue Assumptions Committee. These revenues represent consensus estimates adopted by GOPB and the LFA on November 17, 2006.*
- (d) *The change is from the Authorized FY 2007 column to the Recommended FY 2008 column.*
- (e) *The Recommended FY 2008 column is based upon updated economic projections from the Council of Economic Advisors' Revenue Assumptions Committee. These revenues represent consensus estimates adopted by GOPB and the LFA on November 17, 2006.*
- (f) *The percentage change is from the Authorized FY 2007 column to the Recommended FY 2007 column.*
- (g) *The percentage change is from the Authorized FY 2007 column to the Recommended FY 2008 column.*
- (h) *Inheritance tax was phased out by the federal government in the following increments: FY03 25%, FY04 50%, FY05 75% and FY06 100%.*

Table 4 shows actual revenue collections for FY 2006 and estimated revenue collections for FY 2007 and FY 2008. These include state revenues only; federal funds, licenses, fees, etc., are not included.

Table 5

SALES AND USE TAX CURRENTLY EARMARKED

Three-Year Comparison

	Actual FY 2006	FY 2007	FY 2008
Reductions in Unrestricted Sales and Use Tax			
Section 59-12-103(4)–(5), UCA			
Water development loan funds	\$7,175,000	\$7,175,000	\$7,175,000
Drinking water loan fund	3,587,500	3,587,500	3,587,500
Water quality loan fund	3,587,500	3,587,500	3,587,500
Endangered species	2,450,000	2,450,000	2,450,000
Agriculture resource development	525,000	525,000	525,000
Water rights	175,000	652,000	682,000
Watershed Rehabilitation	0	500,000	500,000
Cloud Seeding	0	150,000	150,000
Water Resources Conservation and Development fund	0	7,473,000	7,943,000
<i>Subtotal Section 59-12-103(4)–(5), UCA</i>	<i>17,500,000</i>	<i>26,100,000</i>	<i>26,600,000</i>
Section 59-12-103(6), UCA			
Class B and C (city and county) roads	17,618,400	17,618,400	17,618,400
State park access roads	562,300	562,300	562,300
Transportation corridor preservation	562,300	562,300	562,300
<i>Subtotal Section 59-12-103(6), UCA</i>	<i>18,743,000</i>	<i>18,743,000</i>	<i>18,743,000</i>
Section 59-12-103(7), UCA			
Centennial Highway Fund Restricted Account (1/64% tax rate)	6,256,700	6,800,000	7,200,000
Section 59-12-103(9), UCA^(a)			
Centennial Highway Fund Restricted Account	59,594,700	163,500,000	170,200,000
Total Reductions in Unrestricted Sales and Use Tax	\$102,094,400	\$215,143,000	\$222,743,000
 <i>(a) House Bill 112, Transportation Investment Act (Lockhart), passed in the 2006 General Session, transfers 8.3 percent of sales and use tax collections into the Centennial Highway Fund Restricted Account. The bill eliminates the transfer of \$59,594,700 of sales and use tax into the Centennial Highway Fund Restricted Account that was enacted in the 2005 first special session.</i>			
 <i>Table 5 shows state tax collections earmarked for specific purposes for FY 2006, FY 2007, and FY 2008. General Fund estimates found on Table 4 only include unrestricted sales and use tax and are therefore reduced by amounts detailed in this table.</i>			

Table 6

SUMMARY OF RECOMMENDATIONS BY DEPARTMENT
FY 2007 and FY 2008 Appropriations from General Fund and Education Fund
(In Thousands of Dollars)

	Actual FY 2006	Authorized FY 2007	Governor Huntsman's Recommendations				
			Supple- mentals (a)	Recom- mended FY 2007 (b)	Base FY 2008 (c)	Ongoing and One-time Adj. (d)	Recom- mended FY 2008 (e)
Plan of Financing							
General Fund	\$2,030,991	\$2,180,265	\$58,683	\$2,238,948	\$1,781,693	\$624,191	\$2,405,884
Education Fund	2,192,417	2,762,173	55,783	2,817,956	2,663,922	612,733	3,276,655
Total Financing	\$4,223,408	\$4,942,438	\$114,466	\$5,056,904	\$4,445,615	\$1,236,924	\$5,682,539
Programs							
Administrative Services	\$18,720	\$21,826	\$114	\$21,940	\$20,786	\$5,523	\$26,309
Commerce and Revenue	126,481	143,672	15,348	159,019	123,305	16,136	139,441
Community and Culture	22,589	43,068	17	43,085	39,113	6,940	46,053
Corrections (Adult and Juvenile)	278,148	303,473	2,714	306,187	301,533	35,046	336,579
Courts	98,033	104,557	15	104,572	104,386	10,196	114,582
Elected Officials	65,928	54,747	6,027	60,774	49,471	39,080	88,551
Environmental Quality	12,297	11,406	38	11,444	11,015	2,497	13,511
Health	338,492	357,978	(27)	357,951	337,941	44,518	382,459
Higher Education	691,194	721,797	6,013	727,810	716,748	77,440	794,188
Human Services	233,919	258,895	637	259,532	256,114	20,987	277,101
Legislature	16,596	17,695	43	17,738	17,431	790	18,221
National Guard	5,509	6,319	9	6,328	5,278	1,289	6,567
Natural Resources	51,161	53,471	8,771	62,242	51,328	8,375	59,703
Public Education	1,872,896	2,110,830	995	2,111,825	2,068,910	376,028	2,444,938
Public Safety	52,553	59,039	640	59,679	59,211	4,599	63,810
Technology Services	1,699	9,321	(9)	9,312	1,427	813	2,240
Transportation	88	1,728	0	1,728	88	140	228
<i>Subtotal Operations Budget</i>	<i>3,886,303</i>	<i>4,279,820</i>	<i>41,346</i>	<i>4,321,166</i>	<i>4,164,084</i>	<i>650,394</i>	<i>4,814,478</i>
Capital Budget	\$260,061	\$593,774	\$73,120	\$666,894	\$212,687	\$586,530	\$799,217
Debt Service	77,044	68,844	0	68,844	68,844	0	68,844
Total Budget	\$4,223,408	\$4,942,438	\$114,466	\$5,056,904	\$4,445,615	\$1,236,924	\$5,682,539

Continued on next page

Table 6 Continued

**SUMMARY OF RECOMMENDATIONS BY DEPARTMENT
FY 2007 and 2008 Appropriations from General Fund and Education Fund
(In Thousands of Dollars)**

Continued from previous page

- (a) The Supplementals column represents recommended changes to Authorized FY 2007.*
- (b) The Recommended FY 2007 column is based on updated revenue projections and includes recommended supplemental appropriations.*
- (c) The Base FY 2008 column is the FY 2007 appropriated amount adjusted for one-time FY 2007 appropriations and program transfers between departments.*
- (d) Recommended adjustments are shown in more detail in the individual department sections of the book, and include internal service fund rate changes, employee compensation and benefit rate adjustments, and ongoing and one-time program increases.*
- (e) The Recommended FY 2008 column includes Governor Huntsman's budget recommendations for FY 2008.*

*Table 6 shows the budgeted use of major state tax revenue (sales and income taxes) by state agency.
It is a summary of the department tables found in a following section.*

Table 7

SUMMARY OF RECOMMENDATIONS BY DEPARTMENT
FY 2007 and FY 2008 Appropriations from All Sources of Funding
(In Thousands of Dollars)

	Governor Huntsman's Recommendations							
	Actual FY 2006	Authorized FY 2007	Supple- mentals (a)	Recom- mended FY 2007 (b)	Base FY 2008 (c)	Ongoing and One-time Adj. (d)	Recom- mended FY 2008 (e)	Percent Change A07-R08 (f)
Plan of Financing								
General Fund	\$2,030,991	\$2,180,265	\$58,683	\$2,238,948	\$1,781,693	\$624,191	\$2,405,884	10.3%
Education Fund	2,192,417	2,762,173	55,783	2,817,956	2,663,922	612,733	3,276,655	18.6
Transportation Fund	421,355	424,469	167	424,636	422,776	18,440	441,216	3.9
Federal Funds	2,400,653	2,358,513	(1,875)	2,356,638	2,312,158	99,831	2,411,989	2.3
Dedicated Credits	602,646	667,213	18,250	685,463	666,349	30,527	696,876	4.4
Mineral Lease	68,279	66,112	0	66,112	68,376	28	68,404	3.5
Restricted and Trust Funds	555,512	664,594	5,369	669,963	654,023	32,149	686,172	3.2
Transfers	211,290	199,837	3,291	203,128	187,253	18,195	205,448	2.8
Other Funds	(3,295)	(3,395)	4	(3,391)	(575)	18,097	17,522	--
Pass-through Funds	1,918	40	0	40	90	0	90	0.0
Beginning Balances	363,685	367,065	0	367,065	130,265	0	130,265	0.0
Closing Balances	(367,065)	(130,265)	0	(130,265)	(145,705)	0	(145,705)	0.0
Lapsing Funds	(25,828)	(2,923)	0	(2,923)	(1,940)	0	(1,940)	0.0
Local Property Tax	446,802	470,805	0	470,805	470,805	37,344	508,149	7.9
Total Financing	\$8,899,362	\$10,024,504	\$139,672	\$10,164,176	\$9,209,490	\$1,491,535	\$10,701,025	6.7%
Programs								
Administrative Services	\$31,323	\$31,828	\$178	\$32,006	\$30,092	\$3,729	\$33,821	6.3%
Commerce and Revenue	444,847	497,881	16,720	514,601	484,243	35,510	519,753	4.4
Community and Culture	58,626	88,291	3	88,294	86,494	6,436	92,930	5.3
Corrections (Adult and Juvenile)	301,468	335,653	2,713	338,366	326,369	35,124	361,493	7.7
Courts	111,746	122,180	6	122,186	120,836	10,721	131,557	7.7
Elected Officials	102,874	116,988	6,074	123,062	85,728	43,093	128,821	10.1
Environmental Quality	44,162	52,874	40	52,914	46,755	4,417	51,172	(3.2)
Health	1,802,860	1,859,875	(437)	1,859,438	1,772,848	129,451	1,902,299	2.3
Higher Education	1,021,110	1,120,196	6,013	1,126,209	1,104,168	96,696	1,200,864	7.2
Human Services	504,522	545,974	1,127	547,101	539,817	41,090	580,907	6.4
Legislature	16,161	17,888	44	17,932	17,676	796	18,472	3.3
National Guard	29,229	31,207	13	31,220	71,360	1,919	73,279	134.8
Natural Resources	169,926	179,648	10,272	189,920	170,457	16,088	186,545	3.8
Public Education	2,741,741	3,045,257	4,774	3,050,031	2,975,572	421,519	3,397,091	11.6
Public Safety	149,824	179,194	671	179,865	158,062	8,437	166,499	(7.1)
Technology Services	3,284	21,626	18,102	39,728	2,907	6,266	9,173	(57.6)
Transportation	258,084	248,352	240	248,592	242,864	17,715	260,579	4.9
Subtotal Operations Budget	7,791,788	8,494,911	66,552	8,561,463	8,236,249	879,005	9,115,254	7.3
Capital Budget	\$872,138	\$1,293,835	\$73,120	\$1,366,955	\$733,709	\$612,530	\$1,346,239	4.1%
Debt Service	235,437	235,758	0	235,758	239,532	0	239,532	1.6
Total Budget	\$8,899,363	\$10,024,504	\$139,672	\$10,164,176	\$9,209,490	\$1,491,535	\$10,701,025	6.7%

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Table 7 Continued

SUMMARY OF RECOMMENDATIONS BY DEPARTMENT
FY 2007 and FY 2008 Appropriations from All Sources of Funding
(In Thousands of Dollars)

Continued from previous page

- (a) The Supplementals column represents recommended changes to Authorized FY 2007.*
- (b) The Recommended FY 2007 column is based on updated revenue projections and includes recommended supplemental appropriations.*
- (c) The Base FY 2008 column is the FY 2007 appropriated amount adjusted for one-time FY 2007 appropriations, program transfers between departments, and changes in estimates of non-state funding sources.*
- (d) Recommended adjustments are shown in more detail in the individual department sections of the book and include internal service fund rate changes, employee compensation and benefit rate adjustments, and ongoing and one-time program increases.*
- (e) The Recommended FY 2008 column includes Governor Huntsman's budget recommendations for FY 2008.*
- (f) The percent change is the difference from the Authorized FY 2007 column to the Recommended FY 2008 column.*
- (g) The 134.8 percent increase is largely due to the increase in federal funds for the construction of three new armories.*
- (h) The 11.6 percent increase is largely due to enrollment growth, a 7.0 percent increase in the value of the Weighted Pupil Unit, and Governor Huntsman's focus on student classroom instruction ratios and professional development opportunities for teachers.*
- (i) The 57.6 percent decrease is largely due to the completion of one-time project funding.*

Table 7 shows the budgeted use of all sources of funding by state agency. It is a summary of the department tables found in a following section.

Table 8

SUMMARY PLAN OF FINANCING BY DEPARTMENT AND SOURCES OF FUNDING

	General Fund	Education Fund	Transportation Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted/Trust Funds	Other	Property Tax	Total
Administrative Services										
Actual FY 2006	\$18,720,400	\$0	\$450,000	\$270,400	\$3,016,000	\$0	\$5,338,500	\$3,527,400	\$0	\$31,322,700
Recommended FY 2007	21,940,000	0	450,000	6,100	2,870,800	0	4,908,700	1,830,400	0	32,006,000
Recommended FY 2008	26,309,200	0	450,000	85,800	2,970,700	0	4,999,700	(995,200)	0	33,820,200
Commerce and Revenue										
Actual FY 2006	108,329,700	18,151,400	5,857,400	210,467,300	19,503,600	0	91,478,800	(8,941,700)	0	444,846,500
Recommended FY 2007	129,758,800	29,260,500	5,857,400	207,282,200	39,318,600	0	83,004,500	20,118,500	0	514,600,500
Recommended FY 2008	119,101,900	20,338,900	5,857,400	232,126,600	45,804,200	0	83,353,700	13,170,600	0	519,753,300
Community and Culture										
Actual FY 2006	22,589,400	0	0	34,194,500	3,037,000	0	1,694,100	(2,889,400)	0	58,025,600
Recommended FY 2007	43,084,900	0	0	39,580,000	4,790,900	0	1,779,200	(941,600)	0	88,293,400
Recommended FY 2008	46,052,900	0	0	43,703,500	4,938,000	0	3,171,800	(4,936,400)	0	92,929,800
Corrections (Adult and Juvenile)										
Actual FY 2006	278,147,800	0	0	2,872,400	6,424,500	0	2,773,300	11,250,100	0	301,468,100
Recommended FY 2007	306,186,900	0	0	2,688,600	6,189,700	0	1,453,100	21,847,200	0	338,365,500
Recommended FY 2008	336,578,700	0	0	2,595,000	6,240,200	0	703,100	15,375,700	0	361,492,700
Courts										
Actual FY 2006	98,032,900	0	0	170,300	1,465,800	0	12,747,400	(670,400)	0	111,746,000
Recommended FY 2007	104,572,300	0	0	325,800	1,584,700	0	13,054,000	2,649,100	0	122,185,900
Recommended FY 2008	114,581,500	0	0	336,000	1,774,700	0	13,441,400	1,423,800	0	131,557,400
Elected Officials										
Actual FY 2006	65,928,100	0	118,000	12,534,300	18,823,100	0	8,052,000	(2,581,900)	0	102,873,600
Recommended FY 2007	60,773,700	0	118,000	13,234,800	17,743,500	0	16,426,800	14,764,900	0	123,061,700
Recommended FY 2008	88,550,700	0	118,000	10,196,400	18,505,100	0	9,903,400	1,547,700	0	128,821,300
Environmental Quality										
Actual FY 2006	12,296,600	0	0	16,742,400	8,021,800	0	10,374,200	(3,272,800)	0	44,162,200
Recommended FY 2007	11,444,100	0	0	18,264,300	9,922,700	0	10,447,800	2,835,300	0	52,914,200
Recommended FY 2008	13,511,000	0	0	17,221,200	8,718,900	0	10,522,500	1,197,800	0	51,171,400
Health										
Actual FY 2006	338,491,900	0	0	1,196,617,700	107,071,200	0	31,687,300	128,992,300	0	1,802,860,400
Recommended FY 2007	357,951,300	0	0	1,220,539,400	102,618,800	0	31,867,000	146,462,000	0	1,859,438,500
Recommended FY 2008	382,458,600	0	0	1,236,895,000	105,917,300	0	32,980,300	144,048,000	0	1,902,299,200
Higher Education										
Actual FY 2006	488,229,000	202,964,500	0	9,737,300	300,833,200	2,846,600	8,384,500	8,114,500	0	1,021,109,600
Recommended FY 2007	232,267,300	495,542,900	0	14,697,400	359,416,000	2,753,500	9,284,500	12,246,800	0	1,126,208,400
Recommended FY 2008	120,481,600	673,706,500	0	14,762,700	378,558,200	2,852,600	9,284,500	1,218,200	0	1,200,864,300
Human Services										
Actual FY 2006	233,919,300	0	0	117,886,100	7,938,700	0	4,359,400	140,418,600	0	504,522,100
Recommended FY 2007	259,531,900	0	0	124,911,600	9,110,700	0	4,382,000	149,165,100	0	547,101,300
Recommended FY 2008	277,100,600	0	0	126,787,700	9,526,500	0	4,382,000	163,109,700	0	580,906,500

	General Fund	Education Fund	Transportation Fund	Federal Funds	Dedicated Credits	Mineral Lease	Restricted/Trust Funds	Other	Property Tax	Total
Legislature										
Actual FY 2006	16,595,800	0	0	0	207,200	0	0	(641,600)	0	16,161,400
Recommended FY 2007	17,738,200	0	0	0	190,300	0	0	3,200	0	17,931,700
Recommended FY 2008	18,221,100	0	0	0	195,100	0	0	55,100	0	18,471,300
National Guard										
Actual FY 2006	5,508,500	0	0	23,441,900	175,200	0	0	103,800	0	29,229,400
Recommended FY 2007	6,327,700	0	0	24,538,800	149,200	0	0	203,800	0	31,219,500
Recommended FY 2008	6,566,800	0	0	66,425,800	182,000	0	0	104,200	0	73,278,800
Natural Resources										
Actual FY 2006	51,161,200	0	0	35,167,900	15,889,700	2,849,300	67,179,600	(2,322,100)	0	169,925,600
Recommended FY 2007	62,241,700	0	0	28,296,600	14,748,700	2,757,400	69,942,200	11,933,400	0	189,920,000
Recommended FY 2008	59,702,800	0	0	34,103,800	16,289,100	2,856,800	71,976,600	1,616,000	0	186,545,100
Public Education										
Actual FY 2006	2,840,800	1,870,055,100	0	371,888,300	28,537,500	2,896,200	14,642,700	4,078,700	446,802,000	2,741,741,300
Recommended FY 2007	7,754,900	2,104,069,900	0	382,676,900	29,952,900	2,822,900	19,441,200	32,507,100	470,804,700	3,050,030,500
Recommended FY 2008	2,254,900	2,442,682,800	0	384,796,500	30,124,100	2,927,400	21,954,300	4,202,800	508,148,600	3,397,091,400
Public Safety										
Actual FY 2006	52,553,000	0	5,495,500	41,557,700	8,211,400	0	37,128,400	4,878,400	0	149,824,400
Recommended FY 2007	59,679,400	0	5,495,500	45,697,700	6,407,700	0	39,400,000	23,184,600	0	179,864,900
Recommended FY 2008	63,810,300	0	5,495,500	47,999,000	7,328,500	0	42,100,400	(235,200)	0	166,498,500
Technology Services										
Actual FY 2006	1,699,000	0	0	440,400	841,400	0	250,000	52,700	0	3,283,500
Recommended FY 2007	9,311,900	0	0	1,656,800	27,838,400	0	250,000	671,300	0	39,728,400
Recommended FY 2008	2,239,500	0	0	700,000	5,984,100	0	250,000	0	0	9,173,600
Transportation										
Actual FY 2006	88,100	0	166,714,200	60,042,600	28,928,600	0	7,350,700	(5,039,800)	0	258,084,400
Recommended FY 2007	1,728,100	0	179,491,700	42,689,200	16,665,400	0	6,810,100	1,207,500	0	248,592,000
Recommended FY 2008	228,100	0	193,121,200	42,689,200	17,665,400	0	6,875,100	0	0	260,579,000
TOTAL OPERATIONS BUDGET										
Actual FY 2006	\$1,795,131,500	\$2,091,171,000	\$178,635,100	\$2,134,031,500	\$558,925,900	\$8,592,100	\$303,440,900	\$275,056,800	\$446,802,000	\$7,791,786,800
Recommended FY 2007	1,692,293,100	2,628,873,300	191,412,600	2,167,086,200	649,519,000	8,333,800	312,451,100	440,688,600	470,804,700	8,561,462,400
Recommended FY 2008	1,677,750,200	3,136,728,200	205,042,100	2,261,424,200	660,722,100	8,636,800	315,898,800	340,902,800	508,148,600	9,115,253,800
Capital Budget										
Actual FY 2006	\$175,979,300	\$84,081,900	\$242,720,300	\$266,621,600	\$18,466,900	\$59,686,900	\$118,473,700	(\$93,893,000)	\$0	\$872,137,600
Recommended FY 2007	494,975,100	171,918,600	233,223,300	189,551,700	1,575,000	57,778,600	222,330,700	(4,398,500)	0	1,366,954,500
Recommended FY 2008	676,453,700	122,762,600	236,173,800	150,564,800	1,575,000	59,767,100	235,091,700	(136,150,400)	0	1,346,238,300
Debt Service										
Actual FY 2006	59,879,700	17,164,300	0	0	25,252,700	0	133,597,800	(458,000)	0	235,436,500
Recommended FY 2007	51,679,700	17,164,300	0	0	34,368,900	0	135,181,200	(2,636,500)	0	235,757,600
Recommended FY 2008	51,679,700	17,164,300	0	0	34,578,800	0	135,181,200	927,800	0	239,531,800
GRAND TOTALS										
Actual FY 2006	\$2,030,990,500	\$2,192,417,200	\$421,355,400	\$2,400,653,100	\$602,645,500	\$68,279,000	\$555,512,400	\$180,705,800	\$446,802,000	\$8,899,360,900
Recommended FY 2007	2,238,947,900	2,817,956,200	424,635,900	2,356,637,900	685,462,900	66,112,400	669,963,000	433,653,600	470,804,700	10,164,174,500
Recommended FY 2008	2,405,883,600	3,276,655,100	441,215,900	2,411,989,000	696,875,900	68,403,900	686,171,700	205,680,200	508,148,600	10,701,023,900

Table 9

SUMMARY OF FY 2008 BUDGET ADJUSTMENTS

Ongoing and One-time Funding

Appropriations by Department	General Fund	Education Fund	Transporta- tion Fund	Federal Funds	Dedicated Credits	Restricted and Trust Funds	Other	Property Tax	Total
Administrative Services	\$5,523,100	\$0	\$0	(\$200)	\$58,300	\$147,400	(\$2,000,000)	\$0	\$3,728,600
Commerce and Revenue	15,111,000	1,024,800	0	11,335,100	545,200	7,202,400	291,500	0	35,510,000
Community and Culture	6,940,200	0	0	75,000	115,900	1,805,100	(2,500,000)	0	6,436,200
Corrections (Adult and Juv.)	35,045,600	0	0	75,600	0	(750,000)	752,500	0	35,123,700
Courts	10,195,600	0	0	9,700	84,400	378,400	52,900	0	10,721,000
Elected Officials	39,079,900	0	0	125,000	880,700	2,983,500	24,000	0	43,093,100
Environmental Quality	2,496,500	0	0	615,900	415,100	508,900	380,400	0	4,416,800
Health	44,517,500	0	0	79,699,000	590,800	1,108,500	3,535,100	0	129,450,900
Higher Education	(111,785,700)	189,225,500	0	65,300	19,190,900	0	0	0	96,696,000
Human Services	20,986,700	0	0	4,078,600	484,600	0	15,539,900	0	41,089,800
Legislature	790,400	0	0	0	5,100	0	0	0	795,500
National Guard	1,289,000	0	0	629,800	0	0	0	0	1,918,800
Natural Resources	8,374,600	0	0	1,157,800	655,500	5,752,500	148,000	0	16,088,400
Public Education	2,000,000	374,027,800	0	1,626,000	165,500	6,276,000	79,900	37,343,900	421,519,100
Public Safety	4,599,100	0	0	338,600	808,400	2,674,200	16,300	0	8,436,600
Technology Services	812,900	0	0	0	5,453,400	0	0	0	6,266,300
Transportation	140,000	0	16,439,500	0	1,073,400	62,200	0	0	17,715,100
Total Operations Adj.	\$86,116,400	\$564,278,100	\$16,439,500	\$99,831,200	\$30,527,200	\$28,149,100	\$16,320,500	\$37,343,900	\$879,005,900
Capital Budget	\$538,074,400	\$48,455,200	\$2,000,000	\$0	\$0	\$4,000,000	\$20,000,000	\$0	\$612,529,600
Debt Service	0	0	0	0	0	0	0	0	0
Total Budget Adjustments	\$624,190,800	\$612,733,300	\$18,439,500	\$99,831,200	\$30,527,200	\$32,149,100	\$36,320,500	\$37,343,900	\$1,491,535,500

Table 9 shows recommended FY 2008 ongoing and one-time appropriations by department. This includes internal service fund adjustments, employee compensation and benefit rate changes.

Table 10

SUMMARY OF FY 2007 BUDGET ADJUSTMENTS Supplementals, All Sources of Funding

Appropriations by Department	General Fund	Education Fund	Transportation Fund	Federal Funds	Dedicated Credits	Restricted and Trust Funds	Other	Total
Administrative Services	\$113,900	\$0	\$0	(\$600)	\$2,500	\$61,900	\$0	\$177,700
Commerce and Revenue	5,350,900	9,996,900	0	(1,741,000)	1,700	(15,900)	3,127,400	16,720,000
Community and Culture	17,300	0	0	(27,500)	7,500	400	4,800	2,500
Corrections (Adult and Juvenile)	2,713,800	0	0	(1,300)	0	0	0	2,712,500
Courts	15,400	0	0	0	(4,800)	(1,700)	(2,800)	6,100
Elected Officials	6,027,000	0	0	300	(100)	46,900	0	6,074,100
Environmental Quality	38,100	0	0	(3,400)	(2,500)	8,000	0	40,200
Health	(27,000)	0	0	(436,900)	25,300	200	1,700	(436,700)
Higher Education	0	6,013,100	0	0	(300)	0	0	6,012,800
Human Services	636,800	0	0	289,700	38,700	0	161,900	1,127,100
Legislature	43,400	0	0	0	300	0	0	43,700
National Guard	9,200	0	0	3,500	0	0	0	12,700
Natural Resources	8,771,200	0	0	21,400	4,300	1,472,500	2,700	10,272,100
Public Education	0	995,000	0	8,600	(100)	3,770,600	(300)	4,773,800
Public Safety	640,200	0	0	12,100	(7,000)	26,100	0	671,400
Technology Services	(9,000)	0	0	0	18,111,200	0	0	18,102,200
Transportation	0	0	166,700	0	73,400	0	0	240,100
Total Operations Adjustments	\$24,341,200	\$17,005,000	\$166,700	(\$1,875,100)	\$18,250,100	\$5,369,000	\$3,295,400	\$66,552,300
Capital Budget	\$34,342,000	\$38,778,000	\$0	\$0	\$0	\$0	\$0	\$73,120,000
Debt Service	0	0	0	0	0	0	0	0
Total Budget Adjustments	\$58,683,200	\$55,783,000	\$166,700	(\$1,875,100)	\$18,250,100	\$5,369,000	\$3,295,400	\$139,672,300

Table 10 shows recommended FY 2007 supplemental appropriations.

Table 11
MINERAL LEASE
Three-Year Comparison

	Actual FY 2006	Governor Huntsman's Recommendations	
		Recommended FY 2007 (a)	Recommended FY 2008 (a)
Sources of Funding			
Federal Mineral Lease Royalties	\$116,623,500	\$117,079,700	\$121,303,000
Exchanged Lands Mineral Lease Royalties	12,602,700	7,485,000	7,755,000
National Monument Mineral Lease Royalties	124,000	185,300	192,000
<i>Subtotal Mineral Lease Royalties</i>	<i>129,350,200</i>	<i>124,750,000</i>	<i>129,250,000</i>
Federal Mineral Lease Bonus	40,169,800	17,204,400	9,817,200
Exchanged Lands Mineral Lease Bonus	590,800	495,600	282,800
<i>Subtotal Mineral Lease Bonus</i>	<i>40,760,600</i>	<i>17,700,000</i>	<i>10,100,000</i>
Total Funding	\$170,110,800	\$142,450,000	\$139,350,000
Appropriations			
Board of Education	\$2,896,200	\$2,822,900	\$2,927,400
Community Impact Fund	58,402,700	56,406,300	58,532,800
DCC - county special service districts	6,325,700	6,118,800	6,339,100
Discretionary:			
Transfer to General Fund	12,050,900	5,161,200	2,945,200
Payment in Lieu of Taxes	2,706,300	2,640,000	2,640,000
Transportation - county special service districts	50,654,900	49,019,800	50,788,000
USU Water Research Laboratory	2,846,600	2,753,500	2,852,600
Utah Geological Survey	2,849,300	2,757,400	2,856,800
<i>Subtotal Appropriations</i>	<i>138,732,600</i>	<i>127,679,900</i>	<i>129,881,900</i>
Statutory Allocations			
Community Impact Fund	28,262,500	12,163,600	6,940,800
Constitutional Defense Restricted Account	1,562,100	1,141,400	1,090,300
Rural Development Fund	789,700	656,900	667,500
Rural Electronic Commerce Fund	741,900	777,400	736,300
Permanent State School Fund	22,000	30,800	33,200
<i>Subtotal Allocations</i>	<i>31,378,200</i>	<i>14,770,100</i>	<i>9,468,100</i>
Total Appropriations and Allocations	\$170,110,800	\$142,450,000	\$139,350,000
Ending Balance	\$0	\$0	\$0

(a) Governor Huntsman's recommendations for FY 2007 and FY 2008 are based upon updated revenue projections and statutory amendments enacted by Senate Bill 66, Revenues from Federal Land Exchange Parcels, that passed in the 2002 General Session.

Table 11 shows the actual and recommended allocation of Mineral Lease revenue. This revenue comes from mineral leases on federal lands in Utah. Statutory allocations are set by formula.

GUIDE TO OPERATING AND CAPITAL BUDGET TABLES IN NEXT SECTION

The departmental operating and capital budget tables show actual revenue and expenditures for the past fiscal year (FY 2006), authorized and recommended revenue and expenditures for the current fiscal year (FY 2007), and recommended revenue and expenditures for the budget fiscal year (FY 2008). The guide below illustrates how to read these tables.

PUBLIC SAFETY Operating Budget

The "Recommended FY 2007" column represents the authorized year plus recommended supplementals.

The "Total FY 2008" column represents the base budget plus all recommended adjustments. The details are shown in the itemized tables.

Governor Huntsman's Recommendations

	Actual FY 2006	Authorized FY 2007	Recommended FY 2007	Base FY 2008	Adjust- ments	Total FY 2008
Plan of Financing						
General Fund	\$43,567,900	\$46,396,100	\$47,383,800	\$46,058,900	\$5,614,700	\$51,673,600
Transportation Fund	5,495,500	5,495,500	5,495,500	5,495,500	0	5,495,500
Federal Funds	22,029,600	22,029,600	22,029,600	22,029,600	370,100	20,199,500
Debt	970,600	970,600	970,600	970,600	217,800	6,160,900
Other	3,000	3,000	3,000	3,000	2,950,700	36,825,700
Beginning Balances	9,000	9,000	9,000	9,000	13,500	1,789,400
Closing Balances	0	0	0	0	12,800	12,800
Lapsing Funds	81,700	81,700	81,700	81,700	0	473,300
Beginning Balances	2,675,600	2,675,600	2,675,600	2,675,600	0	1,396,300
Closing Balances	(3,010,300)	(3,010,300)	(3,010,300)	(3,010,300)	0	(990,500)
Lapsing Funds	(1,964,000)	(1,964,000)	(1,964,000)	(1,964,000)	0	(1,949,600)
Total Financing	\$17,231,900	\$16,290,500	\$91,378,400	\$89,322,900	\$9,179,600	\$121,086,900
Management Information	1,520,100	1,638,300	1,638,300	1,638,300	0	1,638,300
Fire Marshal	4,618,600	4,649,600	4,649,600	4,649,600	0	4,649,600
Liquor Law Enforcement	1,023,000	1,023,000	1,023,000	1,023,000	0	1,023,000
Total Budget	\$17,231,900	\$16,290,500	\$91,378,400	\$89,322,900	\$9,179,600	\$121,086,900
% Change from Recommended FY 2007 to Total FY 2008						4.1%
FTE Positions						
	--	1,082.0	1,084.0	1,082.0	2.0	1,084.0

The "Actual FY 2006" column represents verified revenues and expenditures for FY 2006.

The "Base FY 2008" column represents FY 2007 authorized amounts, plus or minus other adjustments identified in the Beginning Base Budget section of the itemized tables.

The "Authorized FY 2007" column reflects state tax expenditures as appropriated by the legislature and modified by revisions to federal revenues and other anticipated collections. Supplemental recommendations are not included.

The "Adjustments" column displays one-time and ongoing funding changes to existing or new programs, including the recommended compensation package. The Statewide Ongoing Adjustments, Ongoing Adjustments, and One-time Adjustments sections of the itemized table show these in detail.

The number of full-time equivalent positions (employees) is shown for reference.

GUIDE TO RECOMMENDATIONS TABLES IN NEXT SECTION

These tables show in detail the Governor's recommendations for base budget adjustments, ongoing program appropriations, one-time program increases, and supplemental appropriations. Ongoing program appropriations authorize expenditures on a recurring basis. One-time program increases are expenditures on a non-recurring or limited basis. Supplemental appropriations are adjustments to authorized expenditures in the current fiscal year only.

NATURAL RESOURCES

NATURAL RESOURCES FY 2008 OPERATING BUDGET

	General Fund	Education Fund	Other Funds	Total Funds
Beginning Base Budget				
41 FY 2007 appropriated budget	\$0	\$0	\$0	\$0
42 Less one-time FY 2007 appropriations				0
Total Beginning Base Budget - Natural Resources				0
Ongoing Adjustments				
43 Brief title/description				0
One-time Adjustments				
44 Brief title/description here				0
Total FY 2008 Natural Resources Adjustments	0	0	0	0
Total FY 2008 Natural Resources Operating Budget	\$0	\$0	\$0	\$0

Separate columns are provided for different funding sources. The "Total Funds" column represents combined funding from all sources.

These numbers are for ease in referencing.

NATURAL RESOURCES FY 2007 OPERATING BUDGET ADJUSTMENTS

45 Brief title/description here	\$0
Total FY 2007 Natural Resources Budget Adjustments	0

NATURAL RESOURCES FY 2008 CAPITAL BUDGET

One-time Adjustments	
46 Brief title/description here	
Total FY 2008 Natural Resources Capital Adjustments	
Total FY 2008 Natural Resources Capital Budget	

Each agency has its own section for operating and capital base budget, ongoing, one-time, and supplemental adjustments. The total base budget, total adjustments, and total budget rows for each department match the base budget, adjustments, and total columns in the operating or capital tables.

Each item has a brief description.

AGRICULTURE FY 2008 OPERATING BUDGET

Beginning Base Budget	
47 FY 2007 appropriated budget	\$0
Total Beginning Base Budget - Agriculture	0
Total FY 2008 Agriculture Adjustments	0
Total FY 2008 Agriculture Operating Budget	\$0

The "Totals" section combines base budget, adjustment, recommendation, and supplemental information for all agencies in a department section for easy comparison to operating and capital tables.

NATURAL RESOURCES TOTALS

FY 2008 Operating Base Budget	\$0
FY 2008 Operating Adjustments	0
FY 2008 Operating Recommendation	0
FY 2007 Operating Supplementals	0
FY 2008 Capital Base Budget	0
FY 2008 Capital Adjustments	0
FY 2008 Capital Recommendation	0
FY 2007 Capital Supplementals	0

State of Utah

Operating and Capital Budget Recommendations by Department

- Agency categories in alphabetical order
- Major department accomplishments and services
- Governor Huntsman's major budget recommendations
- Intent statements recommended by the Governor for the FY 2007 supplemental appropriations act and the FY 2008 appropriations act
- Three-year comparison of operating and capital budgets
- Detailed FY 2008 base adjustments, FY 2008 ongoing and one-time appropriations, and FY 2007 supplemental appropriations

